

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0501-01
Bill No.: HB 433
Subject: Business and Commerce; Environmental Protection; Motor Vehicles
Type: Original
Date: March 3, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

In a similar proposal, officials from the **Missouri State Highway Patrol and Department of Revenue** assume the proposal would have no fiscal impact on their agency.

Officials from the **Department of Natural Resources** assume this proposal would require the department to amend the current basic inspection and maintenance (I/M) waiver rule to allow the labor costs of \$50 per hour, adjusted annually using the Consumer Price Index, for motorists who choose to repair their own vehicles to count towards the waiver spending requirements. The proposal applies only to Franklin County. Franklin County is located within the St. Louis ozone non-attainment area.

Federal regulations for emissions testing programs contained in 40 CFR 51.360 (a)(5) require: "General repairs to be performed by a recognized repair technician (i.e., one professionally engaged in vehicle repair...) Employed by a going concern whose purpose is vehicle repair or possessing nationally recognized certification for emission-related diagnosis and repair in order to qualify for the waiver. I/M programs may allow the cost of parts (not labor) utilized by non-technicians (e.g. owners) to apply toward the waiver limit."

ASSUMPTION (continued)

The proposal places the department in violation of EPA regulations and could result in the EPA finding the State in violation of the EPA approved State Implementation Plan for the St. Louis ozone non-attainment area. The department has applied to the EPA for redesignation of the St. Louis non-attainment area to a maintenance area. The proposal could cause EPA to deny the redesignation and could initiate sanctions that could eventually lead to the withholding of federal highway funds for Missouri.

Officials from the **Department of Transportation (MoDOT)** assume this proposal will affect compliance with the Clean Air Act (CCA) that impacts all of MoDOT's funding and its ability to deliver improvements in the state transportation system. Compliance with the CCA can only be accomplished by staying within our designated emissions. The CCA requires actual minimum expenditure amounts for a vehicle to be relicensed, therefore private certification may not be deemed to meet the requirements.

MoDOT assumes little or no fiscal impact at this time. However, it is important to note that in the event that St. Louis is reclassified to a "serious" non-attainment area, the EPA could impose a 100 percent sanction on all federal funds to MoDOT or to St. Louis. The Clean Air Act contains more stringent requirements for the emissions inspection program in "serious" areas. The negative impact in this scenario could range from \$250,000,000 to \$730,000,000 beginning in fiscal year 2005. In the past, the EPA has not gone beyond the region, however, it is possible to lose all highway funds (\$730,000,000).

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

This proposal will not increase the cost on small businesses. However, it may reduce the revenue of some small businesses, namely private vehicle repair facilities.

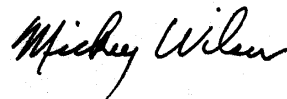
DESCRIPTION

This bill allows vehicle owners in Franklin County who do their own repairs to charge labor costs of \$50 per hour toward BAR-97 emission test repair waiver amounts.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Natural Resources
Department of Revenue
Department of Public Safety - Missouri State Highway Patrol
Department of Transportation



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Director
March 3, 2003